

AI New codes will cost millions

Navy assumes loss because of spy case

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WASHINGTON — The most serious loss in the Walker spy case involved coded communications, and the Navy is hastening production of new cryptographic equipment to prevent further interception of secrets, Adm. James D. Watkins, the chief of naval operations, disclosed yesterday.

Admiral Watkins and Navy Secretary John F. Lehman, Jr., said in a press conference they believe they now know the extent of possible damage done by the accused spies and said fixing it would cost "many millions of dollars."

At the same time yesterday, Defense Secretary Caspar W. Weinberger ordered a prompt 10 percent reduction in the 4.3 million persons who are now cleared for access to Defense Department security information. He also set up a commission to investigate "vulnerabilities or weaknesses" in the security system.

Not knowing everything the accused spies may have given the Soviets, Admiral Watkins said, the Navy has made a "worst case" assumption, based on what John A. Walker, Jr., and three others charged with spying could have provided from the Navy jobs they had.

Given the communications background of Mr. Walker and "one or two of his cohorts," Admiral Watkins said, communications was "the most serious area of compromise."

He spoke specifically of secure voice and teletype communications, "coded systems" that the alleged agents could have enabled the Russians to decode.

Not only coded messages but information on the design of communications equipment "has probably been lost," Admiral Watkins said, "so that new designs must now be accelerated and equipment produced more quickly than previously planned." The Navy has stopped using equipment "believed compro-

BALTIMORE SUN
12 June 1985

mised."

Both the admiral and Mr. Lehman urged the use of polygraph tests to check out holders of security clearances on a random basis, as urinalysis tests now are given as a check against drug abuse.

Mr. Lehman also advocated amending federal law to apply the death penalty for espionage convictions, since a life sentence is now the maximum punishment.

He also said that the Uniform Code of Military Justice, the law governing those in uniform, has in his opinion a "glaring loophole." He said espionage actions cannot be brought under the code in peacetime.

The Navy secretary went further yesterday than Mr. Weinberger's general order to reduce the number of people who are allowed access to secrets. Mr. Lehman ordered an immediate 10 percent cut but also directed the Navy to achieve a 50 percent reduction "as soon as feasible."

That order was included in a directive to all Navy commands for a tightening of security.

Mr. Lehman concluded that "our security system has left a lot to be desired."

Admiral Watkins's general assessment was that the damage now assumed by the Navy to have occurred was "very serious [but] . . . it is not catastrophic."

The admiral sought to make two points about advantages Moscow might have gained:

□ Little if any technical data on weapons, sensors, aircraft and ships is believed to have been lost. Much of the information provided from naval communications would have had to do with fleet operations and would have become outdated quickly. But copying teletype and voice transmissions would have enabled the Soviets to understand better what they had observed of Navy operations, filling voids in their knowledge. That was a "very valuable intelligence gain," he said.

□ The Russians may have gathered a host of data on U.S. capabilities in the air and at sea, and extensive changes are being made at a cost of millions of dollars.

The admiral recalled that changes had to be made in the operation of the Navy's Phoenix missile after the Shah of Iran was toppled and it was assumed the Russians may have learned technical details of the weapon then in the hands of Iranian revolutionaries.

Similar changes may have to be made in a number of naval anti-aircraft and anti-submarine devices,

Admiral Watkins indicated.

He said the "real area of potential giveaway" was American ability to find and target Soviet submarines. The Russians learned better what they had to do to overcome U.S. technical advantages, he said, and "perhaps the Walker case contributed to the rate of closure of the significant technological gap that existed a decade ago."

He reiterated previous Navy assurances that nothing the Soviets learned would enable them to detect U.S. ballistic missile-carrying submarines. Those remain "100 percent survivable," Admiral Watkins asserted.

The commission Mr. Weinberger set up yesterday to study security "in light of the Walker case" is headed by retired Gen. Richard G. Stilwell, who recently left the post of deputy undersecretary of defense, where he oversaw security policies. His panel will be made up of Defense Department officials.